Q3 2024 RESULTS
COLABOR GROUP INC.(TSX: GCL)

October 17, 2024

FORWARD LOOKING STATEMENT

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FORWARD LOOKING STATEMENT

This document contains certain forward-looking statements as defined under applicable securities law. Forward-looking information may relate to Colabor's future outlook and anticipated events, business, operations, financial performance, financial condition or results and, in some cases, can be identified by terminology such as "may"; "will"; "should"; "expect"; "plan"; "anticipate"; "believe"; "intend"; "estimate"; "predict"; "potential"; "continue"; "foresee", "ensure" or other similar expressions concerning matters that are not historical facts. Particularly, statements regarding the Company's financial guidelines, future operating results and economic performance, objectives and strategies are forward-looking statements. These statements are based on certain factors and assumptions including expected growth, results of operations, performance and business prospects and opportunities, which Colabor believes are reasonable as of the current date. While Management considers these assumptions to be reasonable based on information currently available to the Company, they may prove to be incorrect. Forward-looking information is also subject to certain factors, including risks and uncertainties that could cause actual results to differ materially from what Colabor currently expects, including those mentioned in the Company's Annual Information Form, which can be found under its profile on SEDAR+ (www.sedarplus.ca). These factors are not intended to represent a complete list of the factors that could affect Colabor and future events and results may vary significantly from what Management currently foresees. The reader should not place undue importance on forward-looking information contained in this press release, information representing Colabor's expectations as of the date of this document (or as of the date they are otherwise stated to be made) and are subject to change after such date. While Management may elect to do so, the Company is under no obligation (and expressly disclaims any such obligation) and does not undertake to update or alter this information at any particular time, whether as a result of new information, future events or otherwise, except as required by law.

NON-IFRS PERFORMANCE MEASURES

This Document also contains information that follows non-IFRS measures of performance. Such information should not be considered in isolation or as a substitute for other IFRS performance measures, but rather as supplementary information. These measures are widely used in the financial community to evaluate the profitability of operations. They reflect the inclusion or exclusion of certain amounts that are not considered representative of the Company's recurring financial performance. Since these concepts are not defined by IFRS, they may not be comparable with those of other companies.

CONTENT

- Phase II of our Turnaround
- Evolution of our Strategic Plan
- Financial results
- Share information

PHASE II OF OUR TURNAROUND

Implementation of strategic initiatives helped mitigating the effect of the reduction in consumer spending affecting the restaurant and retail industries in Q3 2024 results:

- 1.6% decrease in revenue;
- 1,8% decrease in gross margin;
- 14.0% decrease in Adjusted EBITDA(1);
- $9.9M in cash flows generated from operating activities.

Maintaining solid balance sheet:

- Leverage ratio (2) decreased to 2.6x from 2.7x at end of FY2023.

A diversified clientele across the distribution activities, along with efforts to attract new clients and expand into new territories and the recent acquisition, partially mitigated the effect of the weakness in the restaurant and retail industries.

- Revenue from distribution activities increased by 1.5%;
- Revenue from wholesale activities decreased by 10.1%.

(1) Adjusted EBITDA is a non-IFRS measure. Refer to slide 12 non-IFRS measures. Adjusted EBITDA corresponds to net operating earnings before costs not related to current operations, depreciation and amortization and expenses for stock-based compensation plan.
(2) Financial leverage ratio is an indicator of the Company's ability to service its long-term debt. It is defined as net debt / adjusted EBITDA less lease liability payments and interest on lease obligations for the last twelve months. Lease obligations payments and interests for the LTM as of September 7, 2024 were $15.9M and amounted to $15.1M for fiscal 2023.

NEW HYBRID FACILITY (ST-BRUNO, QUEBEC)

Developments of the new hybrid Distribution / Wholesale facility:

- Certain chain customers are served from the new facility, service levels are maintained;
- Since the end of Q2, Western Quebec customers, previously served from our facility in Eastern Quebec, are now served from the new facility in Saint-Bruno thus freeing up capacity in our eastern Québec facility.
- During Q3, we gradually began to welcome new customers, mainly independent restaurants

Rendering image provided by Écoparc Saint-Bruno.

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EVOLUTION OF THE 5-YEAR STRATEGIC PLAN

PROFITABILITY
GENERATE PROFITABLE GROWTH

- Improve customer & product mix.
- Optimizing the management of our private label to achieve an optimal mix with our national brands.

Q3 RESULTS
- 1.8% decrease gross margin.
- 14.0% decrease in Adjusted EBITDA despite lower sales volume.

GROWTH
POTENTIAL REACH FROM 30% TO 90% OF THE HRI MARKET

- Growing distribution activities in Western Quebec.
- Continuously evaluating pipeline of M&A opportunities.

Q3 RESULTS
- Gradual startup of new distribution activities and welcome new customers.
- Assets acquired in March 2024 continue to perform well and contribute to meet our expectations

PEOPLE
ATTRACT, RETAIN AND DEVELOP

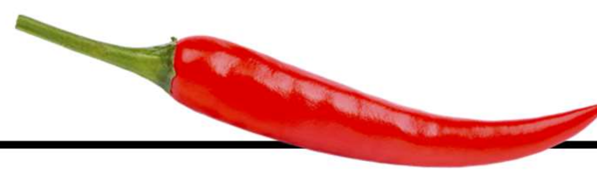
- HR focus on attracting and retaining talent.
- Employer brand.

Q3 RESULTS
- More resources available, ready for the strong holiday season.

BRAND
RENEW, REFRESH

- Focus on raising local offering and customer service.

Q3 RESULTS
- Differentiated, locally-inspired, high-quality offerings.
- Highlight on our customer service approach.



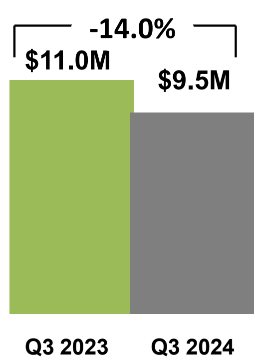
THIRD QUARTER 2024 HIGHLIGHTS
Q3 2024 SALES AND PROFITABILITY

CONSOLIDATED SALES

DISTRIBUTION SALES UP BY 1.5%
WHOLESALE SALES DOWN BY 10.1%

- Higher distribution volume;
  - New territories;
  - Impact of inflation estimated at 1.1%;
  - Assets acquired in March 2024;
- Lower sales volume from restaurant and retail industries in our wholesale and distribution activities in a more difficult macroeconomic environment.

ADJUSTED EBITDA[(1)]



Lower adjusted EBITDA[(1)] in 2024 by $1.5M.

- Lower sales volume;
- Higher operating expenses.

[(1)] Adjusted EBITDA is a non-IFRS measure. Refer to slide 12 non-IFRS measures. Adjusted EBITDA corresponds to net operating earnings before costs not related to current operations, depreciation and amortization and expenses for stock-based compensation plan.

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Q3 2024 NET EARNINGS AND CASH FLOW TREND

NET EARNINGS

Net earnings decreased to $1.1M in Q3 2024 ($0.01 per share), from $3.5M in Q3 2023 ($0.03 per share)

- Decrease in EBITDA[(1)];
- Increase in finance expenses related to the increase in lease obligations, particularly the one for our premises located in Saint-Bruno.

CASH FLOW FROM OPERATIONS

Cash flows generated amounted to $9.9M, up from $8.0M

- Q3 2024 higher utilization of working capital requirements explained by an improvement in the inventory turnover rate and the timing in supplier payments.

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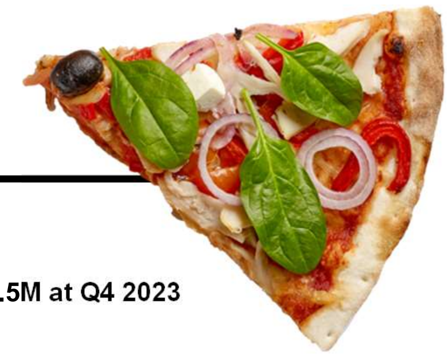
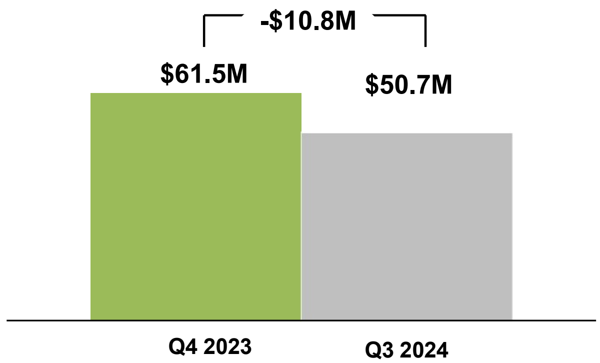
Q3 2024 NET DEBT AND LEVERAGE RATIO TREND



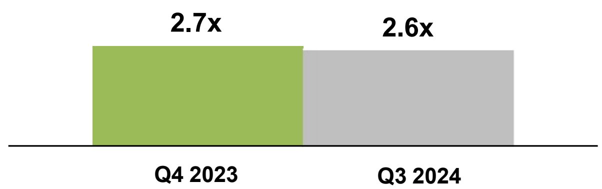
NET DEBT (1)



Net debt decreased to $50.7M, from $61.5M at Q4 2023

- Repayments of credit facility of $5.5M;
- Increase of cash.

LEVERAGE RATIO(2)



Leverage ratio decreased to 2.6x

- Decrease of net debt.

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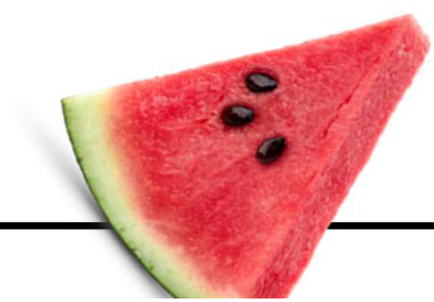
(2) Financial leverage ratio is an indicator of the Company's ability to service its long-term debt. It is defined as net debt / adjusted EBITDA less lease liability payments and interest on lease obligations for the last twelve months. The corresponding figure for 2023 has been restated to reflect the new calculations method established for 2024. Lease obligations payment and interests for the LTM as of September 7, 2024 were $15.9M and amounted to $15.1M for fiscal 2023.

Q3 2024 **FINANCIAL** HIGHLIGHTS

(in thousands of dollars, except percentages, per share data and financial leverage ratio)	12-week period 2024	12-week period 2023	36-week period 2024	36-week period 2023
Sales from continuing operations	**162,034**	164,700	**454,512**	462,809
Adjusted EBITDA[(1)]	**9,484**	11,034	**24,084**	25,902
Adjusted EBITDA[(1)] margin (%)	**5.9**	6.7	**5.3**	5.6
Net earnings (loss) from continuing operations	**1,164**	3,539	**1,067**	5,693
Net earnings (loss)	**1,113**	3,539	**996**	5,693
Per share – basic and diluted	**0.01**	0.03	**0.01**	0.06
Cash flow from operating activities	**9,904**	7,969	**26,627**	20,044

Financial Position	**As at September 7, 2024**	**As at December 30, 2023**
Net debt[(2)]	**50,749**	61,481
Financial leverage[(3)]	**2.6x**	2.7x



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SHARE INFORMATION (TSX: GCL)

LAST 52 WEEKS

STOCK PRICE (as at October 15, 2024)	**$1.39**
52-week low-high	**$1.05 - $1.52**
Number of shares issued and outstanding	**102,013,442**
Average volume (30 days)	**96k**
Market capitalization	**$141.8M**
Institutional and management ownership	**≈ 40%**

Analyst coverage:

Cormark Securities
Kyle McPhee, CFA

Desjardins Securities
Frédéric Tremblay, M.Sc., CFA

Raymond James Ltd.
Michael Glen, CFA

NON-IFRS MEASURES

Reconciliation of Net Earnings to Adjusted EBITDA (in thousands of dollars)	Third quarter 2024 12-weeks	 2023 12-weeks	 2024 36-weeks	 2023 36-weeks
Net earnings from continuing operations	**1,164**	3,539	**1,067**	5,693
Income taxes	**591**	1,362	**530**	2,109
Financial expenses	**2,823**	1,271	**8,196**	3,896
Operating earnings	**4,578**	6,172	**9,793**	11,698
Expenses for stock-based compensation plan	**28**	63	**80**	212
Costs not related to current operations	**154**	99	**276**	150
Depreciation and amortization	**4,724**	4,700	**13,935**	13,842
Adjusted EBITDA	**9,484**	11,034	**24,084**	25,902

Calculation of Net Debt (in thousands of dollars)	As at September 7, 2024	As at December 30, 2023
(Cash) Bank indebtedness	**(2,501)**	2,731
Current portion of long-term debt	**3,000**	3,000
Long-term debt	**50,250**	55,750
Net debt	**50,749**	61,481

COLABOR

1601 René-Descartes Street, Suite 103
Saint-Bruno-de-Montarville (Québec)
J3V 0A6 Canada

Phone : 450 449-4911
Fax : 450 449-6180

investors@colabor.com